

SERIAL 08099 RFP DEBT COLLECTION SERVICES

Contract - AllianceOne

DATE OF LAST REVISION: July 21, 2009

CONTRACT END DATE: April 30, 2012

CONTRACT PERIOD THROUGH APRIL 30, 2012

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **DEBT COLLECTION SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **May 07, 2009**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

DL/mm
Attach

Copy to: Materials Management
Kim Knox, Finance



CONTRACT PURSUANT TO RFP

SERIAL 08099-RFP

This Contract is entered into this 7th day of May, 2009 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and AllianceOne Receivables Management, Inc. ("Contractor") for the provision of debt collection services.

1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of three (3) years, beginning on the 7th day of May, 2009 and ending the 30th day of April, 2012.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for a maximum of three (3) additional years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least thirty (30) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

2.0 COLLECTION FEE ADJUSTMENTS:

Any requests for reasonable fee adjustments must be submitted no earlier than sixty (60) days prior to the Contract expiration date. All requests for fee adjustment shall be supported by appropriate documentation. If County agrees to the requested adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) and/or by performing a market survey

3.0 DUTIES:

The Contractor shall perform duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.

4.0 TERMS and CONDITIONS:

4.1 INDEMNIFICATION:

- 4.1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, reasonable attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person

or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.

4.1.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.3 The scope of this indemnification does not extend to the sole negligence of County.

4.2 INSURANCE REQUIREMENTS:

4.2.1 Contractor, at Contactor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

4.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

4.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

4.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

4.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contactor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

4.2.6 County reserves the right to request and to receive, within 10 working days, copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

4.2.7 The insurance policies required by this Contract, except Workers' Compensation, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

4.2.8 The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

4.2.9 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage,

personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.10 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.11 Workers' Compensation.

4.2.11.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

4.2.11.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.12 Certificates of Insurance.

Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND UNDERSTANDS THAT FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF THIS CONTRACT.

4.2.12.1 In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

4.2.12.2 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

4.2.13 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice (except 10 days for non-payment) to the County.

4.3 WARRANTY OF SERVICES:

4.3.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.

4.3.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

4.4 INTERNET CAPABILITY:

The County intends, at its option, to use the Internet to communicate under this Contract.

4.5 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003-2494

For Contractor:

AllianceOne Receivables Management, Inc.
Attn: Mark Lombardo, VP
6565 Kimball Drive, Suite 200
Gig Harbor, Washington 98335
Telephone: 866.580.8434
Facsimile: 858.712.6683
Email: mark.lombardo@allianceoneinc.com

4.6 REQUIREMENTS CONTRACT:

4.6.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when County identifies a need and issues a purchase order or a written notice to proceed.

4.6.2 County reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The County will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.

4.6.3 Purchase orders will be cancelled in writing.

4.7 TERMINATION FOR CONVENIENCE:

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.8 TERMINATION FOR DEFAULT:

- 4.8.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 4.8.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.
- 4.8.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.
- 4.8.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.9 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.10 OFFSET FOR DAMAGES:

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor under this Contract, any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.11 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.12 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the District and the Contractor.

4.13 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be

unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.14 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Materials Management shall be responsible for approving all amendments for Maricopa County.

4.15 RETENTION OF RECORDS:

4.15.1 The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall, upon reasonable advance notice, have full access to, and the right to examine, copy and make use of, any and all said materials.

4.15.2 If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.16 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.17 ALTERNATIVE DISPUTE RESOLUTION:

4.17.1 After the exhaustion of the administrative remedies provided in the Maricopa County Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

4.17.1.1 Render a decision;

4.17.1.2 Notify the parties that the exhibits are available for retrieval; and

4.17.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.17.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.17.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.18 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.19 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.20 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.21 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

4.21.1 By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA using e-verify) and all other Federal immigration laws and regulations related to the immigration status of its employees. The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.

4.21.2 The County may request verification of compliance for any Contractor of subcontractor performing work under the Contract. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or department of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

4.22 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §§35-391.06 AND 35-393.06 BUSINESS RELATIONS WITH SUDAN AND IRAN:

4.22.1 By entering into the Contract, the Contractor certifies it does not have scrutinized business operations in Sudan or Iran. The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract.

4.22.2 The County may request verification of compliance for any contractor or subcontractor performing work under the Contract. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or department of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

4.23 CONTRACTOR LICENSE REQUIREMENT:

- 4.23.1 The Respondent shall procure all permits, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his business. The Respondent shall keep fully informed of existing and future Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same.
- 4.23.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1502 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

4.24 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION:

- 4.24.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:
 - 4.24.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;
 - 4.24.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 4.24.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
 - 4.24.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.
- 4.24.2 Should the Contractor not be able to provide this certification, an explanation as to why should be attached to the Contract.
- 4.24.3 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

4.25 PRICES:

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

4.26 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

4.27 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

4.28 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

4.28.1 Exhibit A, Pricing;

4.28.2 Exhibit B, Scope of Work;

4.28.3 Exhibit C, Materials Management Contractor Travel and Per Diem Policy.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

DIRECTOR, MATERIALS MANAGEMENT

DATE

APPROVED AS TO FORM:

DEPUTY MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A
PRICING

SERIAL 08099-RFP

NIGP CODE 94633

RESPONDENT'S NAME:

ALLIANCEONE RECEIVABLES MANAGEMENT, INC.

COUNTY VENDOR NUMBER :

W000013889

ADDRESS:

6565 KIMBLALL DRIVE, SUITE 200

GIG HARBOR, WASHINGTON 98335

P.O. ADDRESS:

P.O. BOX 2449

TELEPHONE

NUMBER:

866-580-8434

FACSIMILE NUMBER:

858-712-6683

WEB SITE:

www.allianceoneinc.com

CONTACT (REPRESENTATIVE):

MARK LOMBARDO, VP

REPRESENTATIVE'S E-MAIL ADDRESS:

mark.lombardo@allianceoneinc.com

WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT.

1.0 PRICES

1.1 Collection Fee

18%

EXHIBIT B
SCOPE OF WORK

1.0 CONTRACTOR RESPONSIBILITIES:

1.1 COLLECTION EFFORTS:

- 1.1.1. Provision of Collection Services for certain delinquent accounts of certain Maricopa County departments. The County also reserves the right to request Collection Services for any department or agency of the County at the rates established by this Contract.
- 1.1.2. The County is customer service-oriented and firmly believes in a positive approach in dealing with debtors. The Contractor shall not use tactics that may be interpreted as harassment or as demeaning or that may reflect poorly on the County's efforts. The County prohibits any collection enforcement procedures not consistent with the County's requirements. The County requires the Contractor to exercise high ethical standards in their collection philosophy and techniques. The Contractor shall conduct its collection business in a professional manner, which will preserve the dignity of the County and its relationship with its citizens.

1.2 LEGAL REQUIREMENTS:

- 1.2.1 The Contractor shall handle and process all accounts referred by the County, in strict conformity with all applicable Federal and laws of the State of Arizona, and any applicable laws the County may enact.
- 1.2.2 Federal laws enacted or hereinafter amended governing collection agencies and practices, including but not limited to, the "Fair Debt Collection Practices Act" (15 USC 1692, et seq.), and all applicable laws and regulations of the United States Postal Service and the Federal Trade Commission.

1.3 CONFIDENTIALITY:

The Contractor shall maintain confidentiality of all documents and information provided by the County, except as to disclosure required by State and Federal laws and regulations.

1.4 RECORDS:

- 1.4.1 The Contractor must maintain a complete, separate and detailed record of each account (using the County's account, citation, or case number), including all collection actions taken for related transactions and communications, for a period of no less than six (6) years after termination of the collection action or each account. The Contractor shall grant the County access to these records for inspection purposes during reasonable business hours for six (6) years after expiration or termination of the Contract.
- 1.4.2 The Contractor shall employ a Certified Public Accountant firm to perform an annual financial audit of the Contractor. A copy of the audit report and any management letters or auditor comments relevant to the Contractor's fiscal/management practices affecting or having the potential to affect the performance of services described in this Contract shall be sent to the County on an annual basis for each year covered by the Contract for services.

1.5 REFERRALS:

- 1.5.1 Accounts shall mean fines, fees, penalties, restitution, assessments or other amounts owed Maricopa County Courts (County).

- 1.5.2 The Contractor shall only accept referrals from the County. The County shall provide copies of documentation as required by the Contractor to respond to debtors' requests. The County will make every effort to provide all pertinent information to the Contractor through the account referral data in a format approved by the County.
- 1.5.3 The County may cancel an account at any time without any cost incurred by e-mailing or faxing a cancel and return form identifying specific case names and numbers to the Contractor.
- 1.5.4 The Contractor shall allow for time payment agreements and place this statement on all collection notices. The County shall set parameters in which the Contractor may accept a payment agreement without permission of the County.
- 1.5.5 The Contractor, at its own expense, shall install and maintain hardware and software necessary to provide County immediate on-line inquiry on the current status of accounts referred.
- 1.5.6 The Contractor shall not have authority to accept a compromise settlement on any account unless agreed upon by the department or placing agency.

1.6 CONTRACTOR PERCENTAGES / COSTS:

- 1.6.1 For all accounts referred by the County, unless otherwise instructed, the Contractor's collection fee shall be added by the Contractor to the principal amount of the debt, collected by the Contractor from the debtor, and deducted by the Contractor prior to remitting the principal amount to the County, as presently authorized by state law and an enabling Court order.
- 1.6.2 Should there be changes in laws or County policy that allows a different method for recovering Contractor collection fee, the Contractor shall modify its methods accordingly, upon instruction from the County.
- 1.6.3 The Contractor shall accrue interest on outstanding balances at the same rate of the principal per annum upon assignment to collections from the County and only while in active collection status. All interest collected will be remitted to the County.
- 1.6.4 If an account is reduced or cancelled by the County, no collection fee will be due the Contractor for the amount so reduced or cancelled.

1.7 REMITTANCE:

- 1.7.1 The Contractor shall be entitled to fees that are calculated by adding the percentage from Attachment A of the debt originally received from the County to the owed balance. Contractor shall not charge any fees to the debtor other than those specified in this Section, including credit card usage fees.
- 1.7.2 The fee structure will be expressed as percentages (%) of actual monies collected. All fees paid to the County by the Contractor depend on the amount of money collected. The total allowable fee per account shall represent a flat fee calculated by multiplying the collection fee percentage times the total County obligation referred for collection on that account. When the debtor makes multiple payments, the portion of each payment paid to the Contractor shall be proportional to the amount of the County obligation being paid. Example: County obligation of \$500 x collection percentage of 18% = \$95. \$500 County obligation + \$95 collection fee = \$595 due. The County would get 84.03% of each partial payment and the Contractor would get 15.97%. ($\$500/\$595 = 84.03\%$.)
- 1.7.3 Payments made by personal check will be subject to a fourteen (14)-day holdover by the Contractor prior to remittance. Any charges resulting from a returned personal check or a debtor due to insufficient funds (NSF) will be the responsibility of the Contractor, not the

County. Contractor will include a separate computerized ledger of payments received and debtor information for each category of account receivable and this information will accompany the check. The Contractor shall remit the NET amount collected for each month as described above.

1.8 REPORTING:

The Contractor shall have a comprehensive computerized system to report account status, collection statistics and other information as required by the County on a daily, monthly, annual or other basis. Reports shall be received no more than seven (7) days after completion of the appropriate period. Provided below is the minimum reporting requirements, subject to change at the sole discretion of the County.

- 1.8.1 Cash Activity Report – Court and Departments: This report tracks by County Courts and departments, on a monthly and annual basis, the total dollars collected, fees collected, interest collected, and dollars remitted to the County.
- 1.8.2 Referral Report – Court and Departments: This report tracks by County Courts and departments, on a monthly and annual basis, the number of accounts and dollars referred into active collection.
- 1.8.3 Monthly Transaction Journal – Court and Departments: This report tracks all postings to any County account by County Court and department. Each posting tracks amounts allocated to principal, contractor fees, interest, legal costs or fees and NSF checks.
- 1.8.4 Suit and Garnishment Report – Court and Departments: This report tracks new suits and garnishments requested during the month and all garnishments or legal fees paid in full during the month.
- 1.8.5 Aging Report – Court and Departments: This report tracks the current balance owing, amount collected on each account during the previous month and year-to-date, and the age of each account since referral by County Court and department.
- 1.8.6 Client Index Report – Court and Departments: This report tracks the account status at the individual account level by County Court and department. The report shall include the debtor's name, account number, date assigned, amount assigned, amount collected, balance, and account status.
- 1.8.7 Monthly Interest Remittance Report – Court and Departments: This report tracks by County Court and department, the amount of interest remitted for the previous month.
- 1.8.8 Account Acknowledgment – Court and Departments: This report is due within three (3) days of receiving accounts for placement into active collection by County Court and department. It shall include the detail for each batch of accounts referred, the name of the referring department, debtor's name, account number, total amount referred, total number of accounts and total dollars listed in the batch.
- 1.8.9 Monthly Cancellation Report – Court and Departments: This report tracks account status by County Court and department. It shall include the debtor's name, account number, total dollars collected, dollars remitted to the County, Contractor fee collected, and reason for cancellation.

1.9 REPORTING TO CREDIT BUREAUS:

The Contractor shall report all uncollected accounts to the major credit bureaus. Such reporting must be in accordance with all applicable Federal and Arizona laws including, but not limited to, the Fair Debt Collection Practices Act, Federal Equal Credit Opportunity Act, Regulations and the Consumer Credit Protection Act, as now in effect or hereafter amended. The Contractor shall not report accounts to the credit bureaus until the Contractor has worked the account for 60 days. At

the request of the County, the Contractor shall remove an account notification from all affected bureaus and provide a copy of that notification to the County. In accordance with the Fair Credit Reporting Act, the County requires that accounts be cancelled from each credit bureau upon request of County.

1.10 DISPUTED ACCOUNTS:

The Contractor shall accept and process all written disputes in compliance with all Federal and State laws. The County will work with the Contractor to validate the debt.

1.11 GARNISHMENTS AND LEGAL SUITS:

After all efforts of the collection process have been exhausted, the Contractor will garnish active accounts with judgments. For all accounts referred, the Contractor shall be responsible for initiating legal actions to reduce to judgment any debt owed to the County that is not already a judgment and for filing garnishments as necessary. No legal action shall commence on any account without written authorization from the County.

1.12 SUBCONTRACTORS:

1.12.1 The Contractor may not assign or subcontract any portion of its contract with the County without the written consent of the County.

1.12.2 **Contractor may subcontract with outside attorneys for the sole purpose of performing legal work pertaining to garnishments on accounts transferred to Contractor, wage garnishments and asset/bank garnishments. The attorney's fees shall not exceed \$300 per transferred account; plus service costs shall not to exceed \$60 per wage garnishment; or \$50 per asset/bank garnishment.**

1.13 LOCAL OFFICE:

Contractor shall maintain and operate an office within Metropolitan Phoenix, with business hours of 8:00 am thru 5:00 pm, Monday thru Friday, excluding Federal, State or County-recognized holidays.

2.0 TAX:

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

3.0 DELIVERY:

It shall be the Contractor's responsibility to meet the proposed delivery requirements. County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

4.0 CONTRACTOR TRAVEL:

When requested and approved, in writing, from the County department for whom services are being provided to perform work that requires overnight accommodations or travel, the Contractor shall be bound and reimbursed by the policies and rates specified in Exhibit C, Contractor Travel and Per Diem Policy. The Contractor shall itemize all per diem and lodging charges and provide receipts for expenses in excess of \$25.00 with the next invoice for services. Non-reimbursable travel costs will not be reimbursed to the Contractor.

EXHIBIT C

CONTRACTOR TRAVEL AND PER DIEM POLICY

1. All contract-related travel shall be prior-approved by County.
2. Travel, lodging and per diem expenses incurred in performance of Maricopa County/Special District (County) contracts shall be reimbursed based on current U.S. General Services Administration (GSA) domestic per diem rates for Phoenix, Arizona. Contractors must access the following internet site to determine rates:

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC
3. Commercial air travel shall be scheduled at the lowest available and/or most direct flight airfare rate at the time of any approved contract-related travel. A fare other than the lowest rate may be used only when seats are not available at the lowest fare or air travel at a higher rate will result in an overall cost savings to the County. Business class airfare is allowed only when there is no lower fare available to meet County needs.
4. Rental vehicles may only be used if such use would result in an overall reduction in the total cost of the trip, not for the personal convenience of the traveler.
 - 4.1 Purchase of comprehensive and collision liability insurance shall be at the expense of the contractor. The County will not reimburse contractor if the contractor chooses to purchase these coverages.
 - 4.2 Rental vehicles are restricted to sub-compact, compact or mid-size sedans unless a larger vehicle is necessary for cost efficiency due to the number of travelers. (NOTE: contractors shall obtain written approval from County prior to rental of a larger vehicle.)
 - 4.3 County will reimburse for parking expenses if free, public parking is not available within a reasonable distance of the place of County business.
 - 4.4 County will reimburse for the lowest rate, long-term uncovered (e.g. covered or enclosed parking will not be reimbursed) airport parking only if it is less expensive than shuttle service to and from the airport.
5. Contractor is responsible for any other miscellaneous personal expenses, as they are included in contractor's lodging and per diem expenses.
6. The County will reimburse any allowable and allocable business expense, excluding health club fees and business class air fares, except as indicated in paragraph 3, above.
7. Travel and per diem expenses shall be capped at 15% of project price unless otherwise specified in individual contracts.

ALLIANCEONE, 6565 KIMBALL DRIVE SUITE #200, GIG HARBOR, WA 98335

PRICING SHEET: 94633

Terms:	NET 30
Vendor Number:	W000013889 X
Telephone Number:	800/620-1975
Fax Number:	253/620-7359
Contact Person:	Mark Lombardo
E-mail Address:	mark.lombardo@allianceoneinc.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending April 30, 2012.